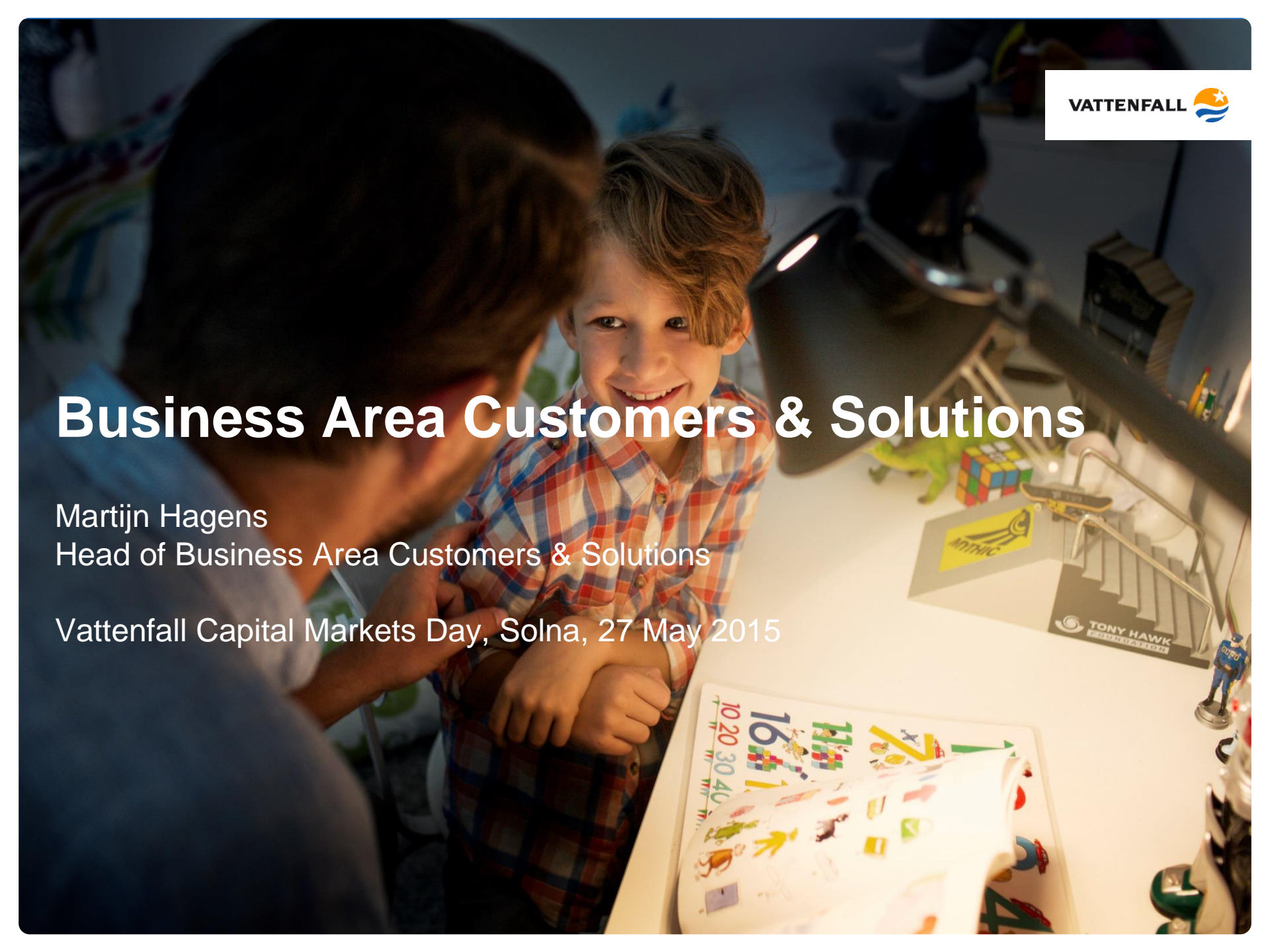


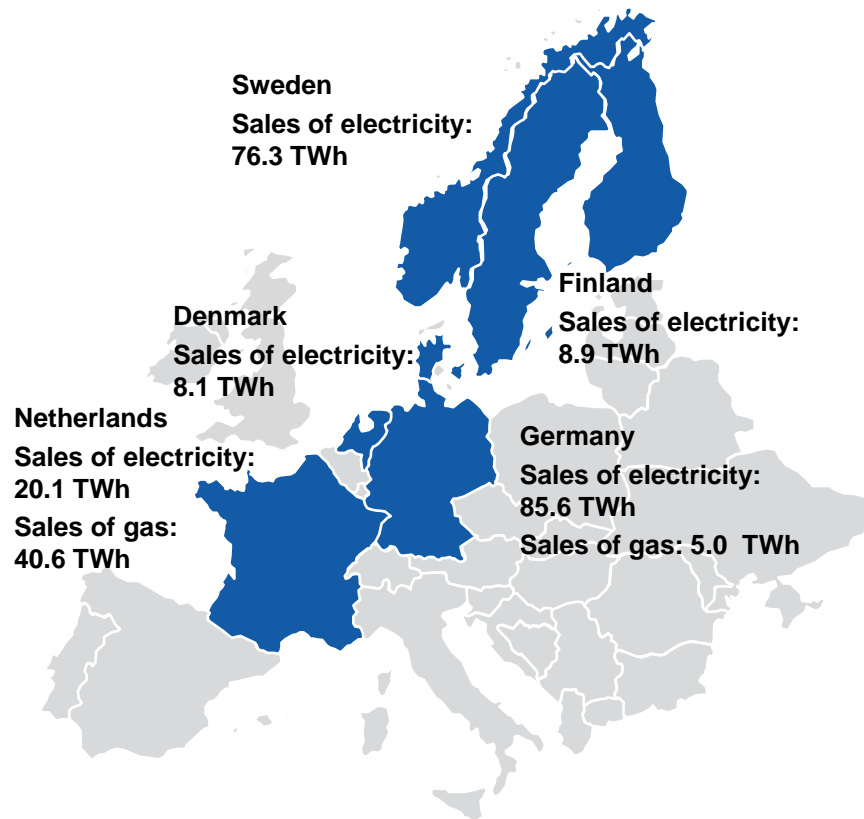
Business Area Customers & Solutions

Martijn Hagens
Head of Business Area Customers & Solutions

Vattenfall Capital Markets Day, Solna, 27 May 2015



Facts and figures – BA Customers & Solutions



	2014
Sales of electricity (TWh)	199.0
Sales of gas (TWh)	45.5
Number of electricity customers	~6.2 million
Number of gas customers	~1.9 million
Number of employees (FTE)	~3,300

Main products:
Electricity, gas and energy services

Vattenfall's market positions



Sweden

- Fragmented market with ~170 suppliers.
- Vattenfall #1



Finland

- Highly fragmented market with ~70 suppliers.
- New entrant in local areas.
- Vattenfall # 3, a Challenger position.



Netherlands

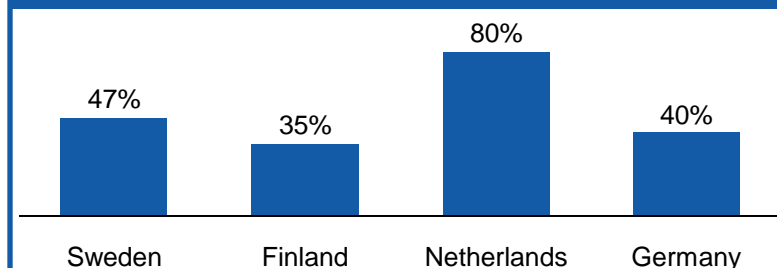
- Relatively concentrated market with ~47 suppliers, of which three incumbents.
- Vattenfall #1



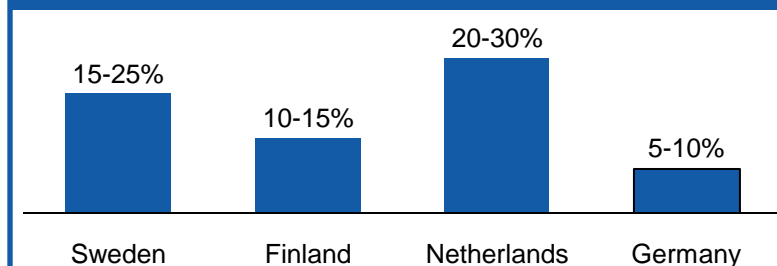
Germany

- Fragmented market with ~400 suppliers, of which four integrated incumbents.
- Vattenfall #1 in Berlin and Hamburg.
- Vattenfall # 4 nationwide. Challenger position in Germany outside of Berlin and Hamburg.

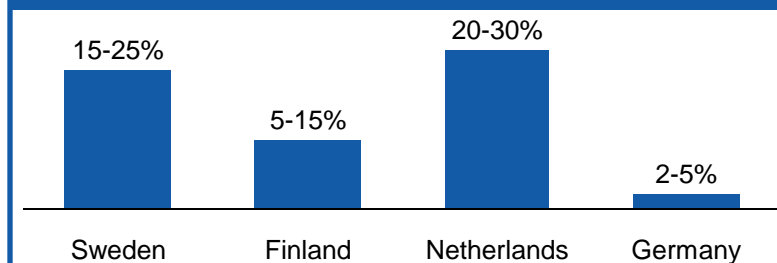
Top 3 Market Share – Retail customers



Market share Vattenfall – Retail customers



Market share Vattenfall – Business



We develop solutions to meet the trends and demands of our customers

TRENDS IN SOCIETY

Electrification of transportation



Digitalization of our homes and business environments and big data possibilities



Growth of prosumers / decentralization of energy production



EXISTING OFFERS



FUTURE POSITION

Customer & Solutions is a supplier of a full range of energy management products and services to B2B and B2C customers

We aim at becoming a full solution provider – a smart integrator



We will accelerate digital transformation and pursue partnerships that compliment our competence

Development of solutions will differ between markets

Customer interest in new opportunities may differ across our markets & segments

Electrification of transportation



- Uptake rate of e-mobility is different across countries, because of differences in subsidy & incentive schemes. The Dutch market is more developed than the German market

Digitalization of our homes and business environments and big data possibilities



- Energy management is still of low interest in consumer segment, but high on the agenda of business segments such as facility management
- Consumer demographics determine interest in smart home services, with high-density low-income urban areas in Berlin showing less interest than affluent suburban/rural areas in Sweden
- Different stages of smart meter roll-out across countries affect the possibility for developing relevant energy management services. Sweden has full roll-out, whereas roll-out in the Netherlands has only just started and roll-out in Germany is still uncertain

Growth of prosumers/ decentralization of energy production



- Differences in the uptake of solar PV have been driven by subsidies, with uptake currently slowing in Germany and accelerating in the Netherlands
- Concentration of our customer base in urban areas reduces the attraction of decentralized opportunities

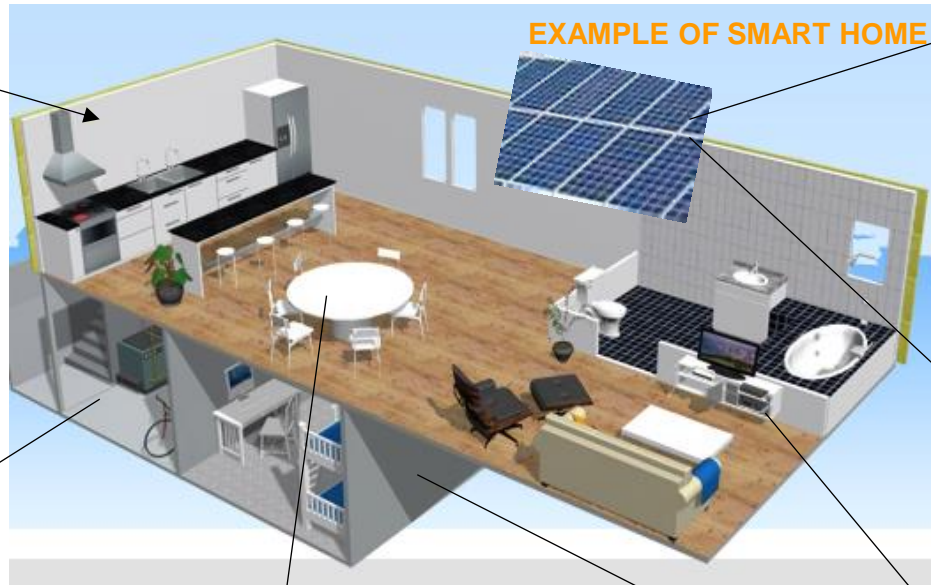
Customers are increasingly digitally connected

A Smart home is built up by different parts that are fully connectable with our future platform. A customer will be able to build her own smart home solution with full flexibility in a way that suits her needs in the best way.

Smartplug to steer and manage devices in an efficient and safe way



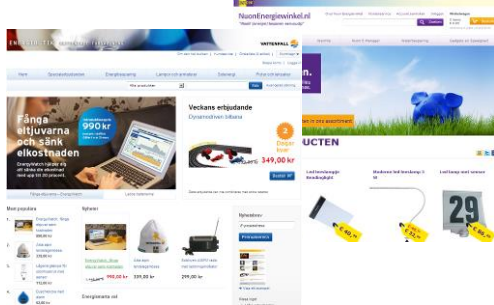
The right heating system for your comfort – Heat pump?



Solar Collector or PV for own use with possibility of feedback to net



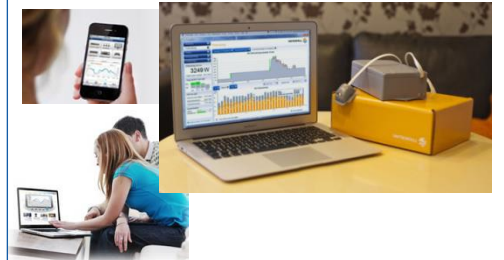
A lot of products and devices for your home in our web shop



Wallbox for charging my electrical car



E-Manager / Energywatch for energy efficiency



Strategic direction is to become a solution provider

Desired future position

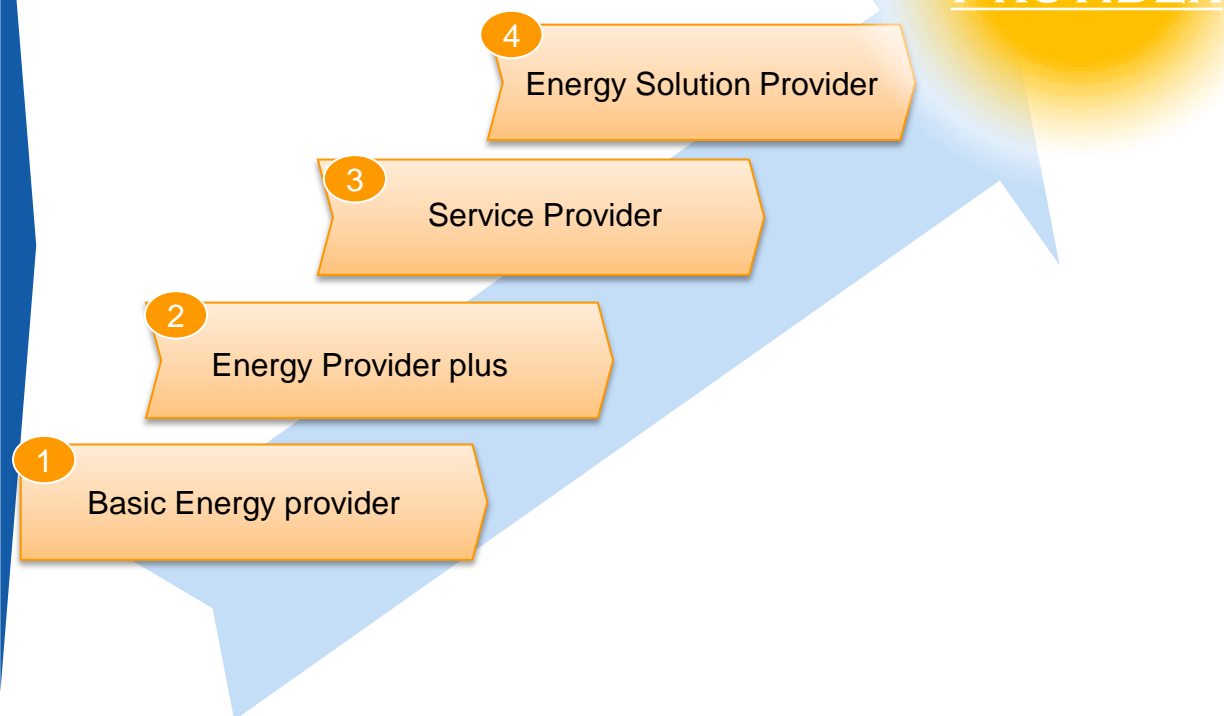
Customers & Solutions is a supplier of a full range of energy management products and services to B2B and B2C customers

Main actions to reach position

- Accelerate digital transformation
- Pursue partnerships that compliment our competence



The direction is to become an energy solution provider and allowing each market to have a different timings and approaches – from defend position to grow market share



Focus areas

... a supplier of a full range of energy management products and services to B2B and B2C customers

Challenges/Opportunities	Focus areas
<ul style="list-style-type: none">• Securing and increasing profitability of current sales business	<ul style="list-style-type: none">• Grow customer base in selected markets• Reduce cost to serve
<ul style="list-style-type: none">• Becoming a solution provider	<ul style="list-style-type: none">• Accelerate digital transformation• E-mobility/Charging solutions• Smart homes/facility management